FBIS DAILY REPORT

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POLICE BAN GENERAL LABOR CONFEDERATION MEETING

PY041550 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1340 GMT 4 Dec 80

[Excerpt] Buenos Aires, 4 Dec (NA)--The federal police today prohibited the holding of a meeting called by the General Labor Confederation (CGT) to elect their officials.

The meeting was called for 1000 at the headquarters of the glass workers union on 217 Carabobo Street of this capital, but high officials of the federal police showed up at this time saying that the Interior Ministry has prohibited the meeting.

When the police arrived, there were already several dozen union members in the union headquarters to attend the meeting.

Union spokesmen reported that police officials made the members of the CGT organization committee sign a statement and told the union leaders to leave or be arrested.

While the majority of the union leaders left the building, the police officials took the organization commission members Alfonso Millan (glass workers union), Horacio Alonso (judicial workers union), Saul Ubaldini (beer workers union) and Ricardo Elorza (restaurant workers union) to a police precinct to formally and personally notify them of the ministerial decision.

Union spokesmen said that despite the government measure prohibiting the meeting in the headquarters of the glass workers union, a meeting will be held just the same, but underground, possibly in the afternoon.

FOREIGN MINISTER ACCEPTS POPE'S INVITATION

PY041357 Buenos Aires TELAM in Spanish 1345 GMT 4 Dec 80

[Text] Buenos Aires, 4 Dec (TELAM)--Foreign Minister Carlos Washington Pastor has accepted Pope John Paul II's invitation to visit the Vatican in the next few days.

The Foreign Ministry confirmed this morning that Pastor will travel about the middle or the end of next week. The exact date of the meeting is still not known. Chilean Foreign Minister Jose Rojas Galdames also will attend the meeting.

BRIEFS

AIR COMMANDER TO ANTARCTIC--Air Force Commander in Chief Gen Omar Graffigna left for the Argentine Antarctic where he will inspect the construction currently underway at the Marambio airbase. [Buenos Aires Domestic Service in Spanish 2000 GMT 3 Dec 80 PY]

GOVERNMENT IMPLEMENTS EMERGENCY ECONOMIC PLAN

PY042132 Buenos Aires LATIN in Spanish 1805 GMT 4 Dec 80

[By Rene Villegas]

[Excerpt] La Paz, 4 Dec (LATIN)--The Bolivian military government today ordered the structural reorganization of the state enterprises as the first step of an emergency plan aimed at overcoming the economic crisis which the country is experiencing. The military government installed on 17 July released three decrees today in which it says that it is determined to put an end to "the internal anarchy, disorganization and total lack of coordination" which it says the state enterprises are suffering.

Official sources said that it is the intention of the government that the state enterprises effectively fulfill their basic function: to produce goods and services through the best use of the human and material resources of the nation. The decrees set a 30-day deadline for all public and mixed enterprises to submit a complete report on their economic, financial and administrative situation.

The organization ofthe public enterprises today was termed the first step of an emergency plan which the military government will apply to face the crisis affecting the Bolivian economy, which is considered the worst in 30 years.

GARCIA MEZA ELIMINATES STATE FUEL SUBSIDIES

PY041658 Paris AFP in Spanish 1452 GMT 2 Dec 80

[Text] La Paz, 2 Dec (AFP)--It was reported here today that President Luis Garcia Meza announced that his government will eliminate all state subsidies of gasoline and other fuel, as part of the corrective measures adopted to save the country's economy.

There has been concern over the past few days over the imminent increase in the cost of living. In all cities, long lines are being formed, trying to find some of the indispensable articles, while other products are systematically hidden by the dealers. Everyone agrees that the increase in fuel prices will create a speculative escalation, because if transport tariffs increase, the same will happen to the prices of agricultural products.

It was reported among official circles that a meeting of the cabinet and the National Advisory and Legislative Council (CONAL) will be held today to discuss the guidelines for the economic reform and so that both organizations may make a decision.

Government technicians explained that only the elimination of subsidies will be able to save from bankruptcy the main state enterprises and especially Bolivian Government Oil Deposits (YPFB), and enterprise which is said to be losing approximately $70 million annually.

The peak of the economic crisis could coincide with the need for a cabinet reshuffle and the reorganization of some government sectors, according to some rumors. Interior Minister Col Luis Arce Gomez stated in this regard that many colleagues will have to return to their garrisons to carry out strictly military activities, but shortly afterwards, President Garcia Meza stated that there is no need for any change in the team of advisers, unless it becomes absolutely necessary.

PAZ ZAMORA PREDICTS FALL OF MILITARY REGIME

PY041553 Paris AFP in Spanish 1646 GMT 2 Dec 80

[Text] Paris, 2 Dec (AFP)--Jaime Paz Zamora, vice president of the Bolivian national unity government in exile, stated here today that the new U.S. President Ronald Reagan will not support the drug traffickers who took over power in Bolivia last July.

During an AFP interview, Paz Zamora said that "the current Bolivian regime will not remain in power for more than a few months because the people and the democratic military officers have made up their minds to free themselves of the coupist drug traffickers, who are now facing total international isolation."

Paz Zamora voiced optimism about the possibility that a transition regime could take over soon, and emphasized the support which his government has received from international organizations and the European countries which he already has visited: Sweden, Norway, Finland, Denmark, the Netherlands, Luxembourg, Belgium and Spain.

He also mentioned the support received from former Bolivian President Lidia Gueiler, who sought refuge in France last October, and said that together they had decided to organize a broad democratic movement of resistance to the military dictatorship and to strengthen the Bolivian Labor Federation (COB).

Regarding the results of his visit to France, the representative of Hernan Siles Zuazo's government in exile, said that he was satisfied with the working meeting held on Monday at the Foreign Relations Ministry, which evidenced agreement of viewpoints.

Paz Zamora will travel to Rome on Thursday and later to the United States.

PRESENCIA EDITORIALIZES ON URUGUAYAN PLEBISCITE

PY041348 Paris AFP in Spanish 1543 GMT 2 Dec 80

[Text] La Paz, 2 Dec (AFP)--The local Catholic daily PRESENCIA today published an editorial stating that the Uruguayan people have proven that their deep-rooted democratic feeling has not disappeared.

The editorial discusses the seeds of destruction of the Uruguayan society epitomized by the leftwing extremism of the Tupamaros and the rightwing extremism of the authoritarian reactionaries.

The editorial points out that despite its control over the means of advertising its draft constitution and having the opposition's hands tied and disorganized, with many opponents in exile, the government did not obtain the results it had expected at last Sunday's plebiscite.

The editorial concludes by pointing out that after 7 years of dictatorship, the latter finally has realized that it cannot follow the course it has been following so far and that the Uruguayan people have chosen democracy.

SOVIET ENTERPRISE CONTINUES WITH TIN PLANT STUDIES

PY041315 Paris AFP in Spanish 1631 GMT 1 Dec 80

[Text] La Paz, 1 Dec (AFP)--Mashinoeksport, the Soviet enterprise in charge of the technical studies of the second tin volatilization plant to be installed in Bolivia by the end of 1985, reported today that the plant will have a total cost of $65 million.

Mashinoeksport has already submitted to the Bolivian Mining Corporation (COMIBOL) 60 percent of the studies on the installation of the plant, which are made up of calculus, general specifications, blueprints and construction work.

The volatilization plant will be located in Machacamarca, Oruro in the western region of the country. It will initially process 400 tons of tin concentrates per day with a 3 to 6 percent degree of purity. This percentage will be later improved to 55 percent purity. The minerals to be processed at the plant will come from the government-owned mines at Catavi, Huanuni, Santa Fe and other private-owned mines.

Of the $65 million investment, the Soviet Union will require $34 million for the supply of equipment, materials and assemblying and technical assistance.

SOCIAL DEMOCRATIC PARTY FACES DESERTIONS IN PARA

PY041333 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Dec 80 p 4

[Text] Belem--Six councilmen from the municipal chamber in Belem [Para State] yesterday left the PDS [Social Democratic Party], emulating the gesture of 11 deputies--supporters of Alacid Nunes, governor of Para State--who also abandoned the party last week and who expect the adherence of more 40 prefects and 300 councilmen in the interior.

With yesterday's desertion, the PDS bloc in the municipal chamber was reduced to three members against six of the PMDB [Brazilian Democratic Mobilization Party] and five supporters of Alacid Nunes, who also organized an independent bloc within the chamber similar to that of the deputies. One of the councilmen, Daniel Cardoso, although leaving the PDS, did not join the supporters of Alacid Nunes, but is expected to do so today.

Deputy Celio Sampaio, leader of the dissident group, yesterday held a press conference to reveal the text of a telegram sent to Senator Jarbas Passarinho, answering his statement that the desertion is political blackmail and that 6 of the 11 deputies (of the bloc of 20 PDS members) had been compelled to make that decision. The telegram, signed by the 11 deputies, states: "We challenge the senator to give the names of the congressmen who had been coerced or threatened and to prove it; and he will have no more authority if he ignores this fact."

The climate at the legislative assembly yesterday was that of expectation and intense political negotiations. Because of a power failure, no session was held, a fact which the supporters of Senator Jarbas Passarinho attributed as an act by the supporters of Alacid Nunes to prevent, by cutting the energy supply, the holding of the plenary session. Throughout the day yesterday, the supporters of Alacid Nunes held private meetings with PMDB members, but denied that everything has been arranged to join the opposition party.

Celio Sampaio gave assurances that their desertion from the PDS is final and that they will not return to the party "regardless of the proposal to be presented in Brasilia." Sampaio said that Governor Alacid Nunes has decided to go to Brasilia only to report the decision of his group "and to disengage himself from the commitments assumed with the federal government."

Alacid Nunes' indecision--he used to be much more energetic on these matters--is a point which has served as food for speculations among the politicians. The supporters of Alacid Nunes explain that the governor took a number of documents to show General Figueiredo and the PDS leadership that his group's desertion from the party has been instigated by the supporters of Jarbas Passarinho, who has maintained a systematic campaign against his government and treated the supporters of Alacid Nunes very frivolously. But the supporters of Jarbas Passarinho feel that the withdrawal from the party is being used as political blackmail "seeking to achieve some advantages from Planalto Palace."

The governor's advisers have interpreted the confidence expressed by the president's private secretary Heitor Aquino Ferreira as an indication that perhaps he wants to make a concrete proposal to Alacid Nunes, establishing already the party's candidacies for 1982. Less than a month ago, the supporters of Jarbas Passarinho proposed giving the senate to Alacid Nunes in exchange for the state government, but the proposal was studied by the supporters of Alacid Nunes and finally abandoned, thus aggravating the tension between the two groups.

Expectation was great in Belem regarding the results of the meetings held yesterday between Alacid Nunes and Generals Danilo Venturini and Goldberry do Couto e Silva. Alacid Nunes should have returned in the afternoon but postponed it until evening, perhaps because there was still the possibility of a meeting with President Figueiredo.

NEWSPAPER COMMENTS ON NEW INCOME TAX SCHEDULE

PY042320 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Dec 80 p 3

[From the "Notes and Information" page: "The Government's Inflation and the Taxpayers' Inflation..."]

[Text] As everyone knows, on the government's initiative the country has had various rates of inflation. The General Price Index [IGP] (internal supply), which up until now was the basis for calculating inflation, was replaced by the National Consumer Price Index [INPC]. The government made the charge because the IGP, calculated by the Getulio Vargas Foundation, had raised doubts due to a double entry in establishing the wholesale price index that weighs heavily on the IGP. The difference detected is substantial: the IGP went up 84.6 percent while the INPC rose 57.8 percent in the January-October period.

Now the government has invented a new rate of inflation, namely, the so-called taxpayers' inflation rate, which will be 55 percent in 1980. In fact, the escalating schedule for personal income taxes was only corrected by 55 percent, although the rate of inflation (calculated by the INPC in accordance with the government rule) will most likely be 90 percent. What this means is that persons whose income grew more than 55 percent in 1980 will have to pay more total income tax than the amount by which their income grew--above 55 percent.

This is not the first time the government has set an inflation rate for taxpayers lower than the real one, but the situation becomes worse because the real inflation rate keeps climbing. Moreover, it should be recalled that income tax deductions for dependents, education, rent, insurance and interest rates have been readjusted by 53.8 to 58.9 percent, that is, by rates lower than the real inflation rate.

Therefore, most wage earners will move up to higher income tax brackets. Let's take, for instance, the case of a person who earned 390,000 cruceiros in 1979 and who has his wages increased by 80 percent in 1980. It can be seen that after the standard deduction of 25 percent plus that for two dependents and rent, he will have to pay 157.6 percent more in taxes for his 80 percent increase in salary...

But this is not the only way in which the new income tax schedule will put a greater burden on the middle class. Through this clever expedient of "the taxpayers' inflation," the monthly withholding at the source will be larger--even larger for incomes other than those that originate from wages. Furthermore, the income tax will have to be paid in nine installments, not twelve. And more, it will be necessary to wait for the final income tax rules to be promulgated in order to know if the monetary correction on the portion of tax withheld will be made on real terms...

It can be noticed that the government's objective is to increase compulsory savings through taxes. By the way, the government ought to say so clearly to let people know that everybody must carry his share of sacrifice. But perhaps it will not be easy for the government to defend its policy because, although it has increased taxes on real estate profits, it has not made a thorough tax reform with profound changes--such as escalating taxes for those who live on fixed-income securities.

It is worth noting that the middle class will see its capacity for saving voluntarily greatly reduced or even exhausted considering that this class will be sacrificed through smaller salary readjustments and more realistic monetary corrections on rents and house-purchase installments. We could ask whether compulsory savings through taxes is better than voluntary savings. Obviously, the answer is no, because we all know that the government has difficulties in controlling the expenditures of the public sector, especially those of the state-owned enterprises. It if fails to curb inflation, the government may yet be surprised with a new decline in savings. In fact, it will make little sense to stimulate savings through a larger monetary correction if the conditions for saving are lacking.

PAPER ASSESSES BRAZIL-EASTERN EUROPE TRADE

PY031619 Rio de Janeiro JORNAL DO BRASIL in Portuguese 1 Dec 80 p 13

[Excerpts] Brasilia--Negotiations between Brazil and Eastern European countries will mark a new record this year. Overall trade--imports and exports--will increase to $1.35 billion, although Brazilian imports will remain stable, without going over the $241 million recorded in 1979. How can we continue growing in this manner without having the communists lose their interest in maintaining the current state of things? By adding more deficits onto our existing deficits? This year's deficit will certainly be closer to $1 billion.

The Brazilian Government apparently already has an answer to this problem: It is not a question of solving bilateral problems--that is, problems between Brazil and each of its partners in the area--but overall problems, in a general manner, and furthermore, increasing the volume trade being negotiated so as to considerably reduce the imbalance. The Brazilain experts suddenly discovered that having excessive surpluses is as serious as having large deficits, and that in both cases they constitute bad business in the international trade sector. This explains, at least partially, why the government has announced, with greater dedication, a more active participation of the European communist countries in the national economy. First, the arrival of Polish coal to our ports. Then, a Czechoslovak thermoelectric plant for Santa Catarina, and three cement factories also from Czechoslovakia, for the Joao Santos group. GDR microscopes for the laboratories of our universities. Raw material from Bulgaria and Romania, cheap and abundant, for the production of medicine by CEME [Central Enterprise for Medicine]

In Itamaraty, Rubens Barbosa, executive secretary of Coleste--Coordinating Group for Trade With the Socialist Countries of Eastern Europe--explains that any increase of imports from Eastern Europe is being done through a permanent consultation with national entrepreneurs and that nothing will be done detrimental to national companies exporting goods and services. The same entrepreneurs also have learned with the government that Brazil will only be able to keep alive that "goose with golden eggs" of Eastern Europe if they also allow countries of that area to place their products in the national market.

The government itself is the greatest partner of the Eastern European countries, beginning with the powerful Soviet Union to the modest Bulgaria. This is so because, among other reasons, it is easier for the government to maintain this kind of deal. It is easier to channel resources in a single direction and overcome future problems, especially regarding prices, supplying conditions, freights and technical assistance. The same is true regarding exchange mechanisms, availability of currencies and their use in new operations. The assessment of the structure of trade between Brazil and Eastern Europe indicates that Eastern European countries import almost exclusively basic products--especially soybeans, coffee, cacao, sugar and iron--while 80 percent of European exports comprise machinery, equipment and processed goods in general.

ARAB ENVOYS REQUEST AUTHORIZATION FOR PLO BUREAU

PY041606 Paris AFP in Spanish 1507 GMT 2 Dec 80

[Text] Brasilian, 2 Dec (AFP)--Ambassadors from Arab countries that are accredited to the Brazilian Government reported that they have requested that the Brazilian Government issue the necessary legal authorization to open a PLO bureau in Brasilia.

Morrocan Ambassador Abdellatif Khatib last night requested the Brazilian Government to grant the PLO the necessary authorization so that it will be able to fulfill its mission in Brasilia. The diplomat made this request at an international conference of solidarity with the Palestinian people. A diplomatic source stated today that it is believed that this request means that there has been an important evolution in the position of Arab countries, since until now Arab diplomats have been discreet about the opening of a PLO bureau in Brazil. Brazil recognizes the PLO as a representative of the Palestine people, but in the last few months the Brazilian Government has reasserted that it will make a decision about the opening of a PLO office in Brazil at the proper time.

PRESIDENT DISCUSSES BORDER PROBLEMS IN ARAUCA

PA042246 Bogota Domestic Service in Spanish 1730 GMT 4 Dec 80

[Excerpts] President Julio Cesar Turbay Ayala announced in Arauca that his government will install an autonomous television station in the eastern plains to defend the cultural sovereignty of the border region.

I believe that sovereignty is not simply a territorial phenomenon. It is not a military issue, but it exists in all fields and areas of national activity, the president said. He added: To defend cultural sovereignty on the border is as important as to defend the integrity of the border itself.

The chief of state, who is in Arauca, on the border with Venezuela to preside at the activities marking Arauca's 200th anniversary, also announced a number of other socio-economic programs for this section of the country. These projects include the expansion of the Arauca airport, the contract for which was signed today by the director of civil aeronautics, who is a member of the president's party. Here is an excerpt of the president's speech:

[Begin recording] In these circumstances there is no room for hotheadedness. I am a nationalist, but not a superpatriot. Those who want to make every circumstance a pretext for creating difficulties are not properly interpreting the feelings of the two nations or the common destiny chosen for them by the father of the fatherland.

I believe that all situations should be examined, judged and analyzed and that reasonable solutions should be found. But Colombia, which as I have said repeatedly, it not a military power, but a power in the area of cordiality, in respect for the law, in its love for peaceful and civilized solutions, cannot in any way fall into the depths of false patriotism. It must instead maintain the staunch dignity and decorum with which national interests are defended. [appaluse]

Of course, any situation can serve as a pretext for making a more or less heated speech on the border problems, which are common to all borders, to some more than others. All neighboring countries have difficulties until they achieve total unity, until they become integrated.

It is obvious that your position in this border region is characterized by a most serious problem--a lack of communication. It is a problem to communicate with the interior of the republic. Very often, in order to go to the neighboring department of North Santander, the people of Arauca have to use the Arauca-San Cristobal-San Antonio-Cucuta highway through Venezuela.

I feel that I owe a debt to Arauca and I believe that previous governments also felt this way, because we should have committed our energies to the construction of the Arauca-(Caravena)-Pamplona highway a long time ago. [applause]

It is needed, not only to facilitate communications between the various sectors of the country, but also because that highway could indeed be properly called the highway of cordiality. When we do not have to bother our neighbor by using his highway, relations between us will surely be more fluid.

I want to tell you that this government has already received authorization from the Finance Ministry to obtain a loan of 300 million pesos to be used for the machinery to build the highway from (Caravena) to Pamplona and from (Caravena) to Cucuta. [applause]

Moreover, the Public Works Ministry, under that eminent patriot whom you have justly praised through the voice of the intendant, has allocated considerable sums from next year's budget in order to pursue work on that highway, which I believe to be necessary.

I do not know if technicalities will prevent me from seeing it completed during my administration, but I do know that during this administration a large portion of it will be financed and completed. [applause] [end recording]

TURBAY REAFFIRMS COLOMBIAN COMMITMENT TO PEACE

PA041300 Bogota Cadena Radial Super in Spanish 2330 GMT 3 Dec 80

[Text] President Julio Cesar Turbay Ayala has implied that force will not be used for settling the sea and seabed conflict with Venezuela.

Addressing new generals on the military academy parade ground, Turbay affirmed that no fear could possibly justify the opinions which have been voiced by high-ranking compatriots and he emphasized Colombia's traditionally peaceful policy.

According to observers, the president tacitly refuted retired Gen Alberto Ruiz Novoa, a former defense minister, who had asked for a strong stand on the conflict with Venezuela with regard to the delimitation of marine and submarine areas.

Turbay Ayala also refuted Laureano Alberto Arrelano, who until recently was the minister of labor and social security and had asked for a firm stand in connection with the conflict because Venezuela was mistreating thousands of Colombians, adding that something must be done very soon.

Turbay Ayala asserted that Colombia stands by its peaceful intentions with the backing of the armed forces, which only perform their duties according to the constitution.

ABC COLOR DISCUSSES PILCOMAYO RIVER ISSUE

PY041616 Asuncion ABC COLOR in Spanish 4 Dec 80 p 13

[By special correspondent]

[Excerpts] Buenos Aires--A Paraguayan representative to the River Plate Basin meeting, which is taking place here and is scheduled to end at noon tomorrow, has stated that Paraguay does not accept Argentina's proposal to discuss any future projects to split up the waters of the Pilcomayo River, even on a temporary basis.

This issue was brought up first at the tripartite commission which is making the studies for the multiple utilization of the Pilcomayo River. This commission is made up of Paraguay, Argentina and Bolivia. On that occasion, the Argentine delegation put forth the proposal for the three countries to conduct joint tasks to split up the waters of the Pilcomayo River, and justified the project which was underway in Formosa Province as a result of which a manmade canal had been dug. This canal was detected by Paraguayan officials last year and reactivated a few months ago this year. According to the Paraguayan Foreign Ministry, there can be no discussion about the splitting up of the waters as long as the current problem--that is Argentina's unilateral decision to divert the Pilcomayo into its territory--remains unsolved. To support its claim, the Paraguayan delegation exibited concrete evidence such as air and on site photographs taken by Paraguayan officials and the newspaper ABC COLOR. "The harm done has been great. The project is also harmful, and until Argentina gives up its project once and for all and the waters return to their normal course we cannot discuss any projects to split up the waters," the Paraguayan spokesman said. He reasserted that "despite the opinion of the experts, the Argentine proposal will still be discussed, but so far it has not been accepted by Paraguay."

The Argentine foreign minister, Maj Gen Carlos Washington Pastor, was available to the journalists last night and we asked him about the case which interests us, that is "the Pilcomayo affair." He answered: "There are no problems with Paraguay. It is being created through rumors which I believe are exaggerated; and neither the Paraguayan or the Argentine government intend to turn this into a conflict. These things are being bandied about, unfortunately, but you must not blow them up because they have no basis."

RIGHTS COMMISSION ISSUES COMMUNIQUE ON BANISHMENTS

PY042002 Asuncion ABC COLOR in Spanish 1 Dec 80 p 15

[Text] The Paraguayan Commission for the Defense of Human Rights yesterday released a communique on the banishment of Mario Milciades Melgarejo and Ruben Dario Veron to the towns of San Joaquin and Yhu, respectively.

The communique states that "in view of the banishment of lawyer Mario Milciades Melgarejo and his associate Ruben Dario Veron, who are held incommunicado at the towns of San Joaquin and Yhu, located in Caaguazu Department, the appropriate authorities are hereby reminded that the application of article 79 of the constitution on the state of siege is only warranted in case of foreign conflict or war, invasion, internal turmoil or serious threats of one of these events which, fortunately, do not exist at the present time. Therefore, this article cannot affect their right to exercise their profession at the courts."

The communique further states that the human rights commission "also draws attention to the constitutional rules contained in the following articles: 59, on the detention of persons and the state of incommunicado; 61, on due trial; 62, the law considers as innocent those who have not been declared guilty through the sentence of a competent judge; 63, on the inviolability of the defense; 64, no one can be brought to trial more than once for the same crime, and 67 which guarantees to all citizens the right to petition the authorities." The communique says that "the authorities are urged to put an end to a situation which violates the rights guaranteed by the constitution."

GOVERNMENT, TECHNOCRATS DISAGREE OVER INFLATION

PY041345 Paris AFP in Spanish 1445 GMT 2 Dec 80

[Text] Lima, 2 Dec (AFP)--The disagreement between the government and the technocrats who handle the country's economy became evident today when Senate Chairman Oscar Trelles openly disagreed with the president of the Central Reserve Bank, Richard Webb, concerning food subsidies.

Yesterday, Webb announced drastic anti-inflationary measures, among which he mentioned the elimination of subsidies, some of which apply to staples.

Trelles, who is considered the third most important man of the progovernment party Popular Action and chairman of the Senate, reacted against Webb and stated that the latter had voiced a purely personal opinion and not the course of action which the government plans to follow, because the government has been elected by the people and should not cause the latter any discomfort.

The politician spoke of the possibility of issuing cards for the low-income sectors so that they could purchase foodstuffs at lower prices while the more affluent sectors would pay the real prices for what they consume.

The Senate chairman admitted, however, that the subsidies are bound to disappear although not in a sudden manner, because they are one of the causes of inflation.

POLICE CHIEF REPORTS ARREST OF 93 TERRORISTS

PY031738 Buenos Aires TELAM in Spanish 0910 GMT 3 Dec 80

[Text] Lima, 3 Dec (TELAM)--The director of the Peruvian Civil Guards has confirmed the arrest of 93 persons involved with recent terrorist acts in different places of the country.

Gen Humberto Catter added that the persons arrested are not only members of the left-wing group Shining Path [Sendero Luminoso] but other groups, which did not specify, as well.

The police chief held a press conference to discuss the recent bombing of the police station in Lauricochea, Ayacucho Department. General Catter did not indicate the period of time during which the 93 persons were arrested.

Says Guerrilla Actions Declining

PY041402 Buenos Aires TELAM in Spanish 1053 GMT 2 Dec 80

[Text] Lima--Civil guards director, Gen Humberto Catter Redondo has indicated that guerrilla actions are gradually declining thanks to the severe measures implemented by the government. He admitted, however, that there are still extremist groups which have enough strength to disrupt order and normalcy.

SOME SUBSIDIES 'PRACTICALLY' ELIMINATED IN BUDGET

PY011641 Lima Radio America in Spanish 1200 GMT 1 Dec 80

[Text] Richard Webb, president of the Central Reserve Bank, has reported that all subsidies on food and gasoline have practically been eliminated in the draft budget. He added that if the government continues with the policy of freezing these prices, it will have to spend approximately 300 million soles next year.

STUDENTS ATTACK GUATEMALAN, SALVADORAN EMBASSIES

PA042326 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 4 Dec 80

[Text] In Panama, members of the Federation of Panamanian Students and a political group attacked the Embassies of El Salvador and Guatemala today. The incident occurred during a demonstration in support for Salvadorans opposing the present government junta of that country.

Some 20 persons attacked the offices of the Guatemalan Embassy carrying posters with slogans against the Salvadoran Government junta. Guatemalan Ambassador Raul Gonzalez Garza said that a jar of yellow paint that was hurled knocked down the embassy's coat of arms. A detachment of national guardsmen dispersed the demonstrators, two of whom were arrested, according to reports received by Ambassador Gonzalez.

SPANISH SOCIALIST LEADER GONZALEZ ARRIVES ON VISIT

PA050132 Panama City Circuito RPC Television in Spanish 1730 GMT 4 Dec 80

[Text] Spanish Socialist Workers Party [PSOE] Secretary General Felipe Gonzalez met today with Panamanian National Guard Commander Brig Gen Omar Torrijos. The topics they discussed have not yet been reported.

The PSOE leader said this morning at Tocumen Airport that he was coming to Panama because this country is a center of information, especially on Spanish America and particularly regarding the Central American isthmus.

On his way to Panama, Felipe Gonzalez made a stop in Havana, where he talked early this morning with Cuban President Fidel Castro, with whom he discussed such issues as the Central American situation, the recent U.S. elections, President-elect Ronald Reagan, the Uruguayan plebiscite, the Iran-Iraq war and other current international topics.

Felipe Gonzalez said this morning that it is possible he may visit Nicaragua.

The PSOE secretary general will then go to Washington to attend the meeting of the Nicaraguan Defense Committee, which was founded during the recent Socialist International congress in Madrid.

Later he will attend a conference on Eurosocialism and America, also in Washington, which also will be attended by such leaders as Germany's Willy Brandt, France's Francois Mitterrand and Portugal's Mario Soares.

EPISCOPAL CONFERENCE ISSUES FINAL DOCUMENT

PA031245 San Jose Radio Reloj in Spanish 1730 GMT 1 Dec 80

[Document issued by the Episcopal Secretariat of Central America and Panama at end of a conference in Panama--read by Secretary General Monsignor (Troyo)--live]

[Excerpts] The bishops who make up the Episcopal Secretariat of Central America and Panama met in Panama City along with provincial representatives of the clergy and nuns of our region. The reason for our reflection and fraternal dialogue has been to intensify the communion among our local churches for the communion of our peoples. From the religious viewpoint of the social, economic, political and ecclesiastical reality being experienced by the countries of our isthmus, we wish to send to the Central Americans and Panamanians, our message which, enlightening them from the viewpoint of the faith, will raise their hopes and strengthen their Christian love.

On our reality: The reality of our nations certainly presents signs of hope, like the peace treaty recently signed by our brothers of El Salvador and Honduras, and the efforts to achieve progress that are being made by our peoples. However, there are also signs which reveal a deep crisis that endangers order and peace in many of these nations.

There are economic problems, such as the unjust distribution of land, the lack of technical means for adequate exploitation of the land, production that is dependent on continuous fluctuations in the international market thus imperiling our balance of payments, the monopolies and privileges of transnational companies, and the growing social gap between the rich, who become increasingly richer, and the poor, who become increasingly poorer.

Politically, the following situations, among others, should be mentioned: small, economically powerful groups who also hold political power and prevent the participation of the people in guiding the destinies of the people and maintain, by force of arms, that unjust state of affairs; monopoly and manipulation of the communications media by the power groups which own them; impoverished masses who are awakening to an awareness of their human dignity, seeking the paths of change, which they try to promote or prevent according to their convenience; the interventionism of the great powers; the polarization of options between liberal capitalist regimes, Marxist-oriented socialist systems and military or civilian regimes which impose a policy of national security.

All the foregoing leads to a permanent state of alarm, terrorism, repression, death and destruction.

For its part, the church, by the light of the gospel and its own teachings, expressed specifically at Medellin and Puebla, is daily becoming more aware of its mission in the face of that reality. However, along with the serious attempts to achieve unity, differences of mentality and option are being accentuated in the face of the complexity in which we live. There is generalized awareness that in our countries profound structural changes are urgently needed and that the church, sensitive to the sufferings and misery of the poor, must cooperate in the effort for the total liberation of man.

Violence is a tragic reality among us. Many lives are being lost among our people. We understand that some of our brothers, in their situation of anguish, will seek a solution through that sorrowful path, but with all clarify, we must--quote, reaffirm that violence is neither Christian nor evangelical and that abrupt and violent changes in the structure will be deceiving and ineffective in themselves and will certainly not be in accord with the dignity of the people, unquote--Paul VI, Bogota speech, August 1968. We reiterate our condemnation of violence, both by the left and the right, because it is an element of dissociation and destruction.

Finally, we urge the church of the isthmus, as a contribution to peace, justice, the unity and the promotion of our people, to make the social pastoral more dynamic in their evangelical efforts.

COSTA RICA

PANAMA PROPOSES OFFICE TO HANDLE COMMERCE

PA041638 San Jose Radio Reloj in Spanish 1200 GMT 4 Dec 80

[Text] The Panamanian Government has proposed to Costa Rica that an office be set up to handle all the commercial transactions which are made under the provisions of the bilateral trade treaty. This office would use a payments system that would effectively maintain the official exchange rate.

Costa Rican Central Bank officials said that the new economic measures which have been implemented do not affect the provisions set forth in the bilateral trade treaty with Panama. These measures establish that temporary surcharges on imports and advance deposits required for imports would not be applied to the purchase of the Panamaian products that are listed in the treaty.

The Central Bank maintains that the economic measures adopted by Costa Rica on 26 September strengthened trade with Panama because it favors Panamanian imports. In addition, they feel that these measures are intended to promote the consumption of regional products which were previously imported from areas outside Central America and Panama.

EL SALVADOR

DUARTE NOTES COUP ATTEMPT DURING FDR FUNERAL

PA050128 San Salvador Domestic Service in Spanish 1230 GMT 4 Dec 80

[Text] Eng Jose Napoleon Duarte, member of the revolutionary junta, told foreign correspondents that extremists will try to encourage conflict in efforts to destabilize the government, which in 1 year has suffered more coup attempts than any other Latin American government.

We are living the law of the gun, the junta member said in an interview with correspondents after the funeral of the six leftist leaders who were kidnapped and murdered last week by some 300 rightist gunmen.

During the interview Engineer Duarte said the government junta is a barrier between leftist and rightist extremists who are trying to annihilate each other. We are in the midst of this war, he said, doing everything possible to establish order. A confrontation between leftists and rightists, he added, would mean 300,000 dead on each side. We are in the middle, he noted, acting as a barrier to prevent this.

Duarte said that after 50 years of dominance, the Salvadoran right grew into a very powerful force. His party, the Christian Democrats, was the first to come out in defense of the interests of the Salvadoran people. The most powerful party in this country was the Christian Democrats, but it was broken up, excluded, smashed, exiled and murdered, Engineer Duarte said.

He added that during the leftist leaders' funerals a coup was attempted, just as it was during the funeral of slain San Salvador Archbishop Romero last March. The provocation during the services was planned perfectly. They tried a coup d'etat and slandered us in the eyes of the world. They caused a massacre merely to force the army to intervene so they could make slanderous claims to the world.

Duarte maintains that like rightwing, the Salvadoran leftwing has lost the people's support. It no longer has any capability for insurrection, the concluded.

DEFENSE MINISTER ADDRESSES NATION 3 DEC

PA050016 San Salvador Domestic Service in Spanish 0315 GMT 4 Dec 80

[Speech by Defense and Public Security Minister Col Jose Guillermo Garcia, on the radio and television network on 4 December--recorded]

[Text] Good evening, Salvadoran people: With the sincerity and clearness of thought that should characterize a member of the armed forces, I wish to express to you the solidarity and affection of a citizen who, just like you, loves his country.

The main purpose of our address tonight is basically to congratulate you and to thank you for your behavior, because such a serene, courageous, active and reasonable attitude on your part reveals your deep awareness of the critical times faced by our country. To you Salvadorans who faced danger and exposed yourselves by going to work and, thus, gave evidence of your nature as true Salvadorans goes our profound acknowledgement and congratulations.

Reciprocity must exist. Just as you exposed yourselves with your courageous participation, we, as an armed institution, wish to reiterate to you that we will always be ready and determined to guarantee, through our participation, that conduct and patriotic sentiment permanently evident in your behavior. By your attitude you have shown the world that the Salvadoran people want peace and tranquillity. I am confident that together the people, the armed forces and the government can fully achieve such profound aspirations.

Violence is currently the main topic when our country is discussed throughout the world. However, you Salvadorans have indicated by your behavior that you do not want violence, just as much as the armed forces and the government do not want violence.

Who then wants violence? The only ones who want it are the enemies of the Salvadoran people, of the armed forces and the government. We hereby exhort those who encourage violence to reason and to think, to profoundly analyze the value of family and the meaning of friendship, and those factors that make up a cause. We urge them to reason and to realize that there other acceptable ways in El Salvador and abroad through which their objectives can be reached. We ask those who now encourage violence to accept the path which the majority of the Salvadorans want.

To conclude, I want to reiterate that our presence here tonight was only to express to you, honest and sincere citizens of El Salvador, our profound congratulations, and at the same time to ask you to have confidence in us. We are determined to guarantee the peace and tranquillity we all desire. We cannot remain indifferent. There are only two choices: to live with God or to live without him. In the first case, all can be won; in the second, all can be lost. Thank you and good night.

HEAVY LOOTING REPORTED DURING FDR FUNERAL

PA050038 San Salvador LA PRENSA GRAFICA in Spanish 4 Dec 80 pp 3, 34

[Text] Heavy losses were reported in the capital yesterday due to looting, fires, car thefts, looting of trucks and a halt of activities out of fear of violence, police have reported.

There were armed attacks on several stores and hundreds of thieves brazenly stole goods.

There were cases of individuals who hired pickup trucks to do the looting. Many thieves used even two and three trucks to steal refrigerators, radios, television sets, furniture and so forth.

Other thieves imitated the looters who went into small stores, demanded that the owners put up their hands, stole the day's proceeds and then fled calmly.

We asked the security corps why they did not stop the looting and they said they could not because the priests were saying mass and several individuals were haranguing the crowd that turned out for the funeral of the Revolutionary Democratic Front leaders and further incidents might occur.

According to the authorities, the looting was part of a plan to provoke the military and security corps into armed confrontations that could later be blamed on the armed forces.

FDR MEMBER ACCUSES DUARTE OF ORDERING KILLINGS

PA050121 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 4 Dec 80

[Statement by Santiago Ruiz, member of the foreign committee of the Salvadoran Revolutionary Democratic Front [FDR]; date and place not given--recorded]

[Text] I want to tell the Nicaraguan people that the murder of the companeros of the FDR Executive Committee is a maneuver by the fascist sectors within the army and the Salvadoran Government. The day before these leaders were murdered Duarte was enraged and held a meeting with the military officers. He told them that the revolutionary leaders had to be eliminated. This is a specific charge against Duarte, who is now clearly trying to destroy the revolutionary and popular movement after struggling with the popular sectors.

The fascist segment of the army is very worried about the FDR's advance at the international level. This group is upset because of the support the FDR is getting from governments, individuals and international movements and because of the increasing support it is getting from the Salvadoran people, the Nicaraguan people and the neighboring nations in Central America.

The junta is worried about the advance of the revolutionary movement and the failure of the military offensive. When the junta realized that the government was not getting the expected results from the military they then tried to improve the situation by issuing calls for dialogue and mediation and by calling on the FDR and the revolutionary organizations to discuss the situation. The FDR has never refused to hold talks. However, the FDR believes this dialogue can only be held when the revolutionary forces and the Salvadoran people have the necessary military and political strength to impose their own conditions.

We believe the people's victory cannot be negotiated. We believe the people's interest cannot be negotiated [passage indistinct] by killing the FDR companeros. They thought that by doing this they would accomplish two things: foil a revolutionary movement, as they tried to do with the killing of Monsignor Romero, and halt the moderate line of the less repressive sectors within the Salvadoran Government.

FMLN ASKS PEOPLE TO PREPARE FOR 'DECISIVE STAGE'

PA050430 San Salvador EL INDEPENDIENTE in Spanish 3 Dec 80 pp 3, 4

[Communique issued by the Farabundo Marti National Liberation Front 28 November]

[Text] The Unified Revolutionary Directorate [DRU] of the Farabundo Marti National Liberation Front [FMLN], composed of the Salvadoran Communist Party [PCS], the People's Revolutionary Army [ERP], the Popular Liberation Forces [FPL] and the Armed Forces of National Resistance [FARN], informs the urban and interdepartmental bus lines that, whereas:

A. At this moment the struggle of our people is reaching a more decisive phase that will demand of the people the broadest participation in the struggle for the conquest of peace, liberty and justice.

B. The important battles that will be waged in the next few days demand that the people join in the political, military and organizational preparations that will assure us victory.

C. At this moment our forces are preparing their weapons, structures and strategic military units in various parts of the country in line with struggle plans and they will begin to increase their agitation and propaganda activities to prepare our people for the forthcoming battles.

D. In face of this situation the murderous military-Christian Democratic junta has increased its repression and killing, futilely trying to prevent the victory of our people. The junta is trying to confuse and demoralize our people with that offensive. As a result of this, on Thursday, 27 November, Companeros Enrique Alvarez Cordoba, Juan Chacon, Enrique Escobar Barrera, Manuel Franco, Humberto Mendoza, Manuel Mora Diaz and Jose Barrera were captured and murdered by the security forces.

The struggle that will enter its decisive phase before too long requires great sacrifices that will be rewarded by victory, peace and liberty and justice for all.

United to fight until total victory! Revolution or death! We shall win!

[Signed] DRU of the FMLN, San Salvador, 28 November 1980.

FMLN'S SALAZAR INTERVIEWED ON PROSPECTS OF STRUGGLE

FL050220 Havana Domestic Television Service in Spanish 0100 GMT 5 Dec 80

[Unidentified Havana television reporter's interview with Jacobo Salazar, representative of the Farabundo Marti National Liberation Front [FMLN] of El Salvador, presumably in Havana, no date given--recorded]

[Text] [Question] Jacobo Salazar, representative of the FMLN, arrived in Cuba recently. The comrade has agreed to an interview for national television news concerning the latest events that have taken place in the fraternal Salvadoran nation. Comrade Salazar, regarding the murder of six leaders of the Revolutionary Democratic Front [FDR] last week in San Salvador, what has been the repercussion and what does it mean for the struggle of the Salvadoran people?

[Answer] This action of the ruling regime in El Salvador has a single meaning. All this time we have been facing a policy of massacres in our country. The murders merely confirm this policy and make it more coherent, firm and aggressive. We cannot consider the murders an isolated case or something in which the government is not involved. The murders also are the result of the desperation of the Salvadoran regime in the face of the growth, the great growth, of the Salvadoran people's struggle, of the development of their organizations and also of the development of their military units which are increasingly preparing to wage, today more than ever, important decisive battles in our country.

[Question] Salazar, the bodies of the six murdered leaders were buried yesterday in San Salvador's Metropolitan Cathedral. What is the reason for this decision? I also would like you to tell us about the prospects for the struggle in the face of these latest events.

[Answer] From the start, we had charged that the murders of the comrade leaders of the FDR also represented a provocation against the Salvadoran people. It was an attempt to make the Salvadoran people show their repudiation by condemning the assassination of their leaders, turn out into the streets and come out spontaneously so that other parts of the plan against the democratic and revolutionary movement in our country could therefore be carried out. It was their plan to have great masses of people under the sights of the rifles of the fascist military men in order to have a massacre which would put an end to the movement once and for all, or, in short, to deal a hard blow to the revolutionary movement and capitalize on it.

In the face of this, the decision was not to undertake the mobilization as had been planned. All the necessary precautions were taken so as not to lead the Salvadoran people--the demonstrators--into a useless confrontation and not allow a new aggression and not fall for the provocation that had been planned by the regime.

In the face of this, the only thing done was to carry out a small mobilization around the center of the city and then bury the bodies of our comrades in San Salvador's Metropolitan Cathedral. In other words, there was a mobilization which was adapted to the circumstances in our country. The people's repudiation [of the regime], their support for democratic organizations and for the FDR were demonstrated, as well as the Salvadoran people's resolute determination to fight for a democratic and revolutionary government.

What are the prospects for the revolutionary movement? Our view is that the assassination of our comrades opens a new period in the growing struggle of the Salvadoran people. In other words, it opens a new period within this decisive phase of the final battles for the revolution. That is the contribution, the great contribution which the comrade FDR leaders have made to the process. That is the quota of blood they had to shed to strengthen and consolidate the revolutionary movement in our country. The forthcoming battles of the Salvadoran people, or better said, the prospects, are unlimited from both the political and military viewpoints and even from the viewpoint of balance of forces at the internatinal level.

GUATEMALA

'POWERFUL' BOMB EXPLODES IN SALVADORAN EMBASSY

PA042250 Paris AFP in Spanish 2206 GMT 2 Dec 80

[Text] Guatemala City, 4 Dec (AFP)--It has been reported here that a powerful bomb exploded this afternoon at the Salvadoran Embassy in Guatemala. The bomb caused serious property damage but no one was injured. The embassy is located in the southern part of this capital. The bomb exploded after two men and a woman exited the 3-story building shouting "There is a bomb, a bomb," some witnesses have said.

FOREIGN MINISTRY STUDYING UK BELIZE PROPOSAL

PA042338 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 4 Dec 80

[Text] In a communique released yesterday afternoon, the Foreign Ministry stated that a British proposal for continued meetings with a view to solving the Belize problem is under consideration. Meanwhile, the communique adds that all UN interference in connection with the conflict with Great Britain is rejected.

In the meantime, the foreign minister is secluded in his office. Yesterday when an attempt was made to question him, he rejected reporters as usual and made no statements. Later in the afternoon, a communique was released while the UK announced the steps that it is taking in this regard.

TAX BILL REPORTEDLY OPPOSED BY POPULAR SECTORS

PA050154 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 3 Dec 80

[Recorded passages in quotation marks]

[Text] Guatemala today were under what seemed to be as state of mass psychosis because of a new tax bill submitted to congress by the government. While congress continues to discuss the bill there is much expectation among the population. Therefore, anyone against the bill is considered to be a champion of the people's interests because the new bill would only further raise the already high cost of living. So far the congressional finance committee has not reached a decision because it must first decide on other taxes needed to obtain approximately 33 million quetzales for the 1981 budget.

While congressional sectors are continuing to discuss the budget and tax bill, opposition to the tax bill is growing. For instance, the bill would have a negative effect on agriculture, which has already been affected by a drop in agricultural prices. Here is the opinion of Guillermo Gonzalez Mencos, a farm owner:

"The problem agriculture currently faces is the drop in prices for our export products on the international market. This is true for coffee, meat and cotton, which is unfortunately seriously affecting our agricultural economy."

A farmer, Gonzalez Mencos is of the opinion that an increase in taxes will affect the secotrs with the lowest purchasing power. Here is what he had to say:

"I do not think this is the right time to increase taxes because this will directly affect the consumers. From what we have seen and experienced, I can only say that the poorest sectors of the population are the ones who will immediately suffer the consequences of the approval of a new tax bill."

In general there has been an alarming decrease in the country's agricultural production for political and economic reasons. For instance, this year some 35,000 manzanas usually planted with cotton, one of our main export products, were left idle. This caused decrease demand for labor on cotton plantations, and if more taxes are levied it will make things worse because the big plantations will be hiring fewer woerkers. This is what Gonzalez Mencos said:

"I think it would force the big plantations to let many workers go because they would be unable to pay them because of the new taxes. Eventually the central government would be facing another problem: the exodus of rural workers to the cities to try to get jobs."

NEW MLN PROFESSIONAL LEADERS TAKE OFFICE

PA042312 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 4 Dec 80

[Text] The board of directors of the professional branch of the National Liberation Movement [MLN] were sworn in tonight. The members of the board are: Hector Montenegro, president; Eduardo Sanchez Fernandez, Carlos Escobar Gomez, Dr Jorge Villacorta, Dr Noemi Chacon de Segura, Eduardo Rubio and Ferderico (Soberanis Ochaisa).

HONDURAS

COAST GUARD CAPTURES NICARAGUAN FISHING BOAT

PA041617 Managua Radio Sandino in Spanish 0300 GMT 4 Dec 80

[Text] The Honduran Navy today reported that its coast guard captured a Nicaraguan fishing boat in Honduran waters. The Nicaraguan boat is the Commander Che and its skipper is Lorenzo Gracian. At the time of its capture, the Commander Che had 3,500 pounds of shrimp and 200 pounds of fish in its freezer.

GUESTS FOR TREATY RATIFICATION CEREMENY LISTED

PA041814 Tegucigalpa Voz de Honduras in Spanish 1730 GMT 3 Dec 80

[Jose Domingo Flores report]

[Excerpt] We were informed at the Foreign Ministry that those charged with receiving heads of state who have confirmed their attendance at the ratification ceremony for the peace treaty have almost completed their work.

So far, those who are to be present in our country include the Guatemalan president. It has been confirmed that those present will include Guatemalan President Gen Romero Lucas Garcia, Costa Rican President Rodrigo Carazo and the members of the military-civilian junta of El Salvador. Also among those who will arrive next week are Colombian President Julio Cesar Turbay Ayala, Colombian Foreign Minister Diego Uribe Vargas and other cabinet ministers and their spouses.

Peru will send the president of the Supreme Court of Justice in the absence of President Fernando Belaunde Terry, as well as other high-ranking officials. Venezuela will be represented by President Luis Herrera Campins and Foreign Minister Jose Alberto Zambrano Velasco. From Panama--pay close attention--will come President Aristides Royo and a large delegation.

Pay close attention, HRN [Honduran National Radio] listeners: The Foreign Ministry has confirmed that three members of the junta of the Government of National Reconstruction of Nicaragua, whose names have not yet been given, as well as Miguel d'Escoto, the foreign minister of that country, will be coming to this country. It has been confirmed that the United States will send a large number of high-ranking officials, although the names and positions have not been specified.

For the first time, our country will become the capital of America. This being the case we feel that the streets and avenues, hotels and tourist sites should be as clean as possible.

MINISTER DISCUSSES AGRICULTURAL PRODUCTION

PA031936 Tegucigalpa Voz de Honduras in Spanish 1145 GMT 3 Dec 80

[Gustavo Rubi interview with Rodrigo Castillo, secretary of state for natural resources; no place or date given--recorded]

[Excerpts] [Question] Has the cultivation of grain been increased?

[Answer] The cultivation of basic products has been increased, as far as beans are concerned. Last year, we planted between 12,000 to 15,000 manzanas, while this year we have 30,000 manzanas of beans. Therefore, there has been an increase in the production of beans. I cannot say that we have increased the production of corn, because it had already been planted when I took over the ministry. However, in those areas where it was planted late, there has been an increase.

[Question] How much is your secretariat's operating budget for next year?

[Answer] The total for the Natural Resources Ministry is approximately 178 million [no currency given]. The fluctuation is due to the fact that we have to make allocations for the various national organizations, as you know: the National Agrarian Institute, a part of the Honduran Corporation for Forest Development, BANADESA [National Agricultural Development Bank], the IHMA [Honduran Institute for Agricultural Marketing] and others.

[Question] Mr Minister, what are your ministry's other priorities at this time?

[Answer] Well, among our priorities is to control hog cholera and to complete a diagnostic study of livestock, since, as is known, the livestock industry has not been yielding the desired products. We are trying to increase the level of livestock production because all this affects the people's nutrition.

[Question] What will the council of ministers talk about?

[Answer] Well, the council of ministers will mainly discuss the approval of certain loans from international organizations that are still pending.

UNION THREATENS STRIKE UNLESS LEADERS RELEASED

PA041721 Tegucigalpa Voz de Honduras in Spanish 1730 GMT 3 Dec 80

[Text] The executive committee of the Union of Tela Railroad Company Workers [SITRATERCO] threatened today to declare a strike unless four of the union's leaders are released in the next few hours.

The four leaders have been accused by the company and the police of committing sabotage at the banana company installations during and after a 15-day strike that ended last week, causing losses in the millions to the company, the state and the workers.

Desiderio Elvir, president of the union, said that the authorities are refusing to release those arrested, although a lawyer has made efforts in this regard. Cesar Castro Diaz, the labor leaders' lawyer, has said that the police cannot hold any citizen for more than 24 hours and this period has already expired. He will therefore file a writ of habeas corpus with the Supreme Court of Justice.

According to the company and the police, Julio Leonel Contreras, the first labor leader to be arrested, confessed to having attempted to set fire to a banana puree factory and to having disconnected the refrigeration system that was cooling several thousand boxes of bananas.

A police report indicates that Contreras listed prisoners Cecilio Mejia, Alfonso Galeas and Julio Cesar Contreras as the masterminds of the sabotage plan. In addition, it was said that other labor leaders implicated in the statements of the prisoners might be arrested shortly.

SITRATERCO has some 14,000 members. According to the union president, all the members are prepared to go on strike to defend their coworkers. He also said that a campaign is being launched to cause division within the union, although he did not indicate whether this was being done by the authorities or by the U.S. company, which has been operating in the northern part of the country for over 50 years.

PRH LETTER TO ASSEMBLY RAISES NATIONAL ISSUES

PA031333 Tegucigalpa Radio America in Spanish 1145 GMT 2 Dec 80

[Letter to the National Constituent Assembly by the Honduran Revolutionary Party national executive committee signed by Committee Secretary General Francisco Rodolfo Jimenez C.; no date given]

[Excerpts] The national executive committee of the Honduran Revolutionary Party [PRH] hereby brings to the attention of the distinguished assembly the patriotic concern it has regarding three matters of great importance to the current national situation. Those matters are the recently signed peace treaty with the Republic of El Salvador, the capital drain and the Honduran exchange policy, and the despotic actions, contrary to development, created with the existence of the state's autonomous and semiautonomous agencies.

We start by calling the deputies' attention to the last resort available to Honduras to recover what little is left of its self-determination after the signing of the peace treaty with El Salvador. Since it apparently has no other alternative than to ratify the treaty in its last effort to be consistent with the position held for 11 years on an overall and simultaneous settlement, Honduras can have reservations about the ratification that the implementation of the other six clauses of the treaty taking as long as the demarcation of the border mentioned in the first clause will take.

We are deeply concerned that Honduras is the only Central American nation which at this point in the exchange policies to avoid the flight of capital caused by the unbounded exchangeability of lempiras. [sentence as heard] If this situation continues, our country will be rapidly drained of capital.

The problems with the autonomous state agencies must end. These include such prominent problems as the scandal over the excessive benefits paid to employees and officials upon retirement. The wages and other privileges which they have which do not reflect the situation of a very poor country such as our own and the inefficiency and lack of thrift that they display. One of the PRH's socioeconomic principles is that the autonomous agencies should not be run by the state but be turned over to consumers or users so that, in show of real participatory democracy, they can administer them through ad hoc assemblies on the municipal, departmental and national levels.

Honorable deputies, so much remains to be done to make this a civilized nation that you would do well if, after the consitution is promulgated, you continue to hold sessions to clean up the muck accumulated during years of bad administration in order to pave the way for the next constitutional administration and keep it from again being blocked by groups inclined to take over the legislative branch at the drop of a hat.

We think we have done our patriotic duty by writing this letter and so we have the honor of remaining, very truly yours,

[Signed] Francisco Rodolfo Jimenez C., secretary general of the PRH national executive committee.

NICARAGUA

JUNTA'S ORTEGA STRESSES NATION'S PLURALISM

PA042309 San Jose Radio Reloj in Spanish 2208 GMT 3 Dec 80

[Rolando Angulo interview with Commander Daniel Ortega Saavedra, member of Nicaraguan junta of the Government of National Reconstruction; no date given, in Managua--recorded]

[Excerpt] [Question] Is the pluralist concept being applied at the moment?

[Answer] Yes. We have defended, and we will continue to defend pluralism. The fact that it was possible for representatives of certain economic and political sectors to withdraw from the State Council is evidence that there is pluralism in Nicaragua. Had there been no pluralism, no one could have withdrawn. This is part of parliamentary life anywhere in the world. This type of situation happens. We believe that pluralism has also been shown in the existence of the various political organizations in this country. These organizations meet continuously. At these meetings they even speak against the revolutionary process. There is the (?Social Democratic) Party, the Social Christian Party, the Nicaraguan Democratic Movement and so forth. These parties are open political parties and they meet constantly. They speak through radio and the newspapers. This is one of the achievements won by the revolution and the revolution will struggle to safeguard it.

[Question] Can Latin America rest assured that the Nicaraguan revolutionary process is heading toward a democratic system with free elections?

[Answer] We believe that when we talk about free elections we have to be aware of the true situation of the country in question. I have said this before, but I will repeat it again. There has been a revolutionary change in Nicaragua. In this revolution, certain economic forces have not been removed. The revolutionary project proposes the participation of all economic forces for the benefit of the Nicaraguan people. We don't have a situation where a capitalist group dominates the economic and political situation [words indistinct] or exchanging power. What we have is a peculiar situation where a revolutionary force is the vanguard of a process that guarantees the participation of workers, capitalists, businessmen, industrialists and small businessmen, in the national reconstruction process for the benefit of the Nicaraguan people and nation.

This implies a new form of democracy, one that corresponds to the true situation of the Nicaraguan revolutionary process. This also implies the participation of the people in the administrative effort, in the election of their representatives and so forth. This is how Nicaragua will continue to develop.

PARTIES OUTLINE CONDITIONS FOR RETURN TO COUNCIL

PA041613 Paris AFP in Spanish 0135 GMT 4 Dec 80

[Text] Managua, 3 Dec (AFP)--Three Nicaraguan opposition parties today stated that they will return to the State Council if the Sandinist government meets several demands.

The representatives of 11 political and labor organizations abandoned their seats at the State Council 3 weeks ago, asserting that the country's political freedom had become limited and that the Sandinist National Liberation Front [FSLN] is implementing a "dictatorship."

For his part junta member Daniel Ortega said the council members who withdrew will have the chance to return during the next period of sessions because the 1980 period has ended. Ortega said that other representative groups, such as the organizations of professionals and the Indian minority groups, could appoint delegates to the council replacing the businessmen and the opposition parties that withdrew.

The Democratic Conservative Party, the Nicaraguan Democratic Movement and the Social Christian Party demanded "an unrestricted freedom of speech and a stop to the pressure being exerted over the citizens to force them to join the FSLN organizations" as a condition for rejoining the State Council.

They also demanded "a separation of the government interests from those of the FLSN and a chance for the members of the armed forces to receive a pluralist and democratic training and not only a Marxist-Leninist one."

PLANNING MINISTRY DISCLOSES PRODUCTION FIGURES

PA040305 Managua Radio Sandino in Spanish 1200 GMT 3 Dec 80

[All figures as heard]

[Text] The country's cotton production will increase fourfold next year. Also, basic grains production goals were fulfilled, says this week's edition of BULLETIN EXTRA ECONOMICA, which begins circulating today. A special edition of BULLETIN EXTRA ECONOMICA has summarized the national economic panorama for 1980.

According to the National Planning Ministry document, exports of major Nicaraguan products so far this year amounted to a total of 3.516 billion cordobas.

According to the figures, 492,000 quintals or 24,600 tons of cotton were exported. This amounted to $35.4 million, and does not include exports of derivatives of the fiber. According to the reference figures, it had been estimated that $33.7 million would be obtained from the sale of this product, but this figure was exceeded by almost $2 million.

Cotton production for the 1979-1980 period will be increased fourfold during the new agricultural period and it is expected that even this amount will be greatly exceeded during the 1981-82 period, with the planting of more than 180,000 manzanas or 124,000 hectares and a production ceiling of 7.2 million quintals.

This year's coffee exports amounted to a total of 1,070,000 quintals of 53,500 tons which generated $189,000,529 for our country. Nicaragua's coffee exports exceeded the government's original goal in both production and foreign exchange. It has been estimated that production for the 1980-81 period will amount to 1.45 million quintals of coffee. A production ceiling of about 2 million quintals or 100,000 tons has been estimated for the next few years.

As for sugar, the Planning Ministry studies show that although the stated production goal of 2.2 million quintals or 110,000 tons was not achieved, foreign exchange amounting to a total of $32.2 million was almost reached. The deterioration of sugarmill machinery during the liberation war and the neglect of crops during most of last year made it impossible to achieve the proposed goal for this sector. It has been indicated, however, that the production of 60,000 manzanas or 42,000 hectares of sugarcane during the 1980-81 agricultural period will produce 4.9 million quintals or 245,000 tons of sugar. This figure represents a record for Nicaragua and will satisfy both internal consumption and export demands.

Meat exports, mostly aimed at U.S. markets, amounted to 52 million pounds and netted $68.6 million in foreign exchange, almost achieving the goal proposed by the Planning Ministry's economists at the beginning of the present fiscal year. It has been estimated that in 1981 the production of beef will amount to 110 million pounds, of which some 60 million pounds will be exported while the rest is earmarked for internal consumption.

As for seafood products, this year's shrimp and lobster exports amounted to about 7.2 million pounds, worth $30.5 million. According to reports, the estimated goal of 10.8 million pounds and $39.9 million was not achieved due to the almost total destruction and misuse of the Nicaraguan fishing fleet as vengeance by Somozist national guardsmen during their flight in the wake of the revolutionary victory. It has been estimated that next year's production will exceed this year's by 4.8 million pounds and will generate foreign exchange of more than $12 million.

The report adds that in the area of basic grains, all production goals were fulfilled and even exceeded in some cases. This year, 340,000 manzanas or 228,000 hectares of corn were planted, 24,000 manzanas or 16,800 hectares more than had been originally proposed. This area yielded 5.78 million quintals, at 17 quintals per manzana or 0.7 hectares.

The production figures for basic grains such as rice, beans and sorghum far exceeded this year's production goals. Real production of rice amounted to 1.32 million quintals; beans, 1.32 million quintals and sorghum, 1.992 million quintals. Each manzana yielded 30.7 quintals of rice, 12.0 quintals of beans and 24.0 quintals of sorghum.

JUNTA, LEON COTTONGROWERS SUSPEND TALKS

PA042000 San Jose Radio Reloj in Spanish 1730 GMT 4 Dec 80

[Report by Rolando Angulo--live telephone relay]

[Excerpt] The Nicaraguan junta practically broke relations with a group of private cottongrowers in Leon. The Leon cottongrowers had requested a meeting with Nicaraguan junta members last night to discuss the problems between the private sector and the Sandinist Government. The cottongrowers asked the newsmen to leave the room, so all of us who had gone to the city of Leon to report on this meeting were asked to leave. They told the newsmen that they wanted to talk to the junta members in private.

The junta members present were Daniel Ortega, Arturo Cruz and Sergio Ramirez. The cottongrowers expressed their views about the Nicaraguan situation. One of them made very harsh statements about the government and compared it to the Somozist government. This prompted the break of relations. The junta members got up and left, the cottongrowers left and the meeting ended. It lasted approximately 30 minutes.

EIGHT CHARGED WITH 'COUNTERREVOLUTIONARY' ACTIVITY

PA032013 Managua Radio Sandino in Spanish 1200 GMT 3 Dec 80

[Excerpts] Three members of the Lau family are involved in counterrevolutionary activities. They are being charged with a number of crimes by the state's penal prosecutor, ranging from possession of weapons to attempts to overthrow the Sandinist National Liberation Front's reconstruction government.

Members of the Lau family have been arrested, including Dora Maria Lau, who is believed to be one of the masterminds of the counterrevolutionary plots.

The other member of the Lau family is Nestor Moncada Lau, about 27, young, tall and white.

Nestor Moncada, who worked in the state's security office, was closely connected with the now deceased Jorge Salazar and was possibly the trusted person that the counterrevolutionary bourgeoisie had within the Sandinist army's ranks. Along with Jorge Salazar, he maintained direct contact with the criminal former Somozist guardsmen.

Unlike his Aunt Dora Maria and his cousin Nestor, Luis Valle Lau was loquacious and gentle with the newsmen. Everything will be all right. He kept repeating I have nothing to do with these activities. Believe me, he kept saying. I am not a counterrevolutionary; everything will be explained.

Another of the accused to appear yesterday before a judge was Gabriel Lacayo (Benar), an older, shy man who said little. He is Dora Maria Lau's husband.

Alejandro Salazar Elizondo, Jorge's brother, spoke sparingly. According to him, he collaborated with the Sandinist National Liberation Front during the insurrection and even provided shelter to German Pomares' column in Matagalpa, where he owns a cattle ranch and a coffee plantation.

When asked about the charges against him, he said: I have nothing to say, ask my lawyer. Alejandro neither denied nor accepted the charges.

Jaime Francisco Castillo Molina, owner of another coffee plantation and cattle ranch in Matagalpa, also said that he had collaborated with the front. Like the others, he neither denied nor accepted the charges.

Also accused was Leonardo Somarriba, a businessman with strong ties with both the Higher Council of Private Enterprise [COSEP] and the Chamber of Commerce. He was among those who said absolutely nothing. He limited himself to talking to his lawyer.

Mario Janon, a well-known rice producer, has also been implicated. Before his capture, he had promoted activities aimed at boycotting the rice production. He also claims that the charges against him are groundless. He is a member of the Union of Nicaraguan Agricultural-Livestock Producers and of COSEP.

These are the eight persons charged with carrying out counterrevolutionary activities, who were brought before the judge yesterday to hear the charges made against them by the attorney general's office. The charges are of a general nature--connections with former Somozist guardsmen, plans to carry out an invasion, possession and trafficking of weapons, plotting against the government and other things.

CASTRO SAYS USSR BEING 'TOO PATIENT' WITH POLAND

PA051330 Madrid EFE in Spanish 0937 GMT 5 Dec 80

[Text] Madrid, 5 Dec (EFE)--The most serious problem in the world right now is the Polish situation, Fidel Castro told Spanish opposition leader Felipe Gonzalez in a meeting they held in Havana. An exclusive report on this meeting appeared today in the Madrid newspaper DIARIO 16. It was signed by the assistant director of this newspaper, the only newsman present during the meeting of the two political leaders.

Fidel Castro spoke with Felipe Gonzalez for more than 2 hours in a room at the airport in Havana where the Socialist leader made a stopover on his way to Panama and Washington, where he will participate in a meeting of the Socialist International.

Regarding Poland, Castro said, I think that the Soviet Union is being too "patient."

"What I am worried about," he added, "is that the concern over the Polish domestic situation is also being observed in other countries bordering on Poland," presumably the GDR.

Castro said that he refused to believe that Afghanistan will become the future Vietnam for the USSR and, according to DIARIO 16, he openly disagreed with Felipe Gonzalez in this regard. Gonzalez maintained his harsh and intransigent criticism of the Soviets on this.

Regarding Ronald Reagan's victory, the Cuban leader said that "the Iranians were directly responsible for Kennedy's and Carter's defeat."

"Reagan," Castro confessed, "is a legitimate worry for Latin America." He also noted that if Reagan is harboring any intentions of intervening in Latin America, he may cause process of radicalization to speed up.

Regarding this he cited as the first examples the cases of Bolivia and Chile, where certain leftist forces, including the Chilean communists, have decided to resort to the armed struggle.

According to DIARIO 16, Fidel Castro further said that the Salvadoran leftwing is increasingly stronger just like the Guatemalan left. He also said that the Sandinists are definitely consolidating their position.

Regarding this, he said that the idea of the Socialist International to create a committee of support for Nicaragua is very positive.

The Cuban leader also said that he is convinced that the Sandinists should maintain a mixed economic system and respect the formal liberties.

The humorous moment of the meeting came when they exchanged gifts. DIARIO 16 said that Fidel Castro gave Felipe Gonzalez a box of the famous "Cohibas" cigars while the Spanish Socialist leader responded with one ham and two boxes of Rioja Spanish wine.

UN DELEGATE CRITICIZES U.S. POLICIES IN REGION

FL041237 Havana Domestic Service in Spanish 1200 GMT 4 Dec 80

[Text] Cuba has criticized the U.S. Government for its blackmail and intimidation policies against the peoples of Central America and the Caribbean. Cuba's delegate to the UN Political and Security Committee, David Gonzalez, was speaking during a discussion of international security.

Gonzalez came out against the attempts of the imperialists to curtail the right of the Central American and Caribbean nations to select the social, economic and political system that best suits their needs. Gonzalez condemned the U.S. arms escalation in the area, its approval of the repression unleashed by the fascist Salvadoran military and its pressure on other Latin American governments as in the specific case of Ecuador.

MEXICAN PETROLEUM DELEGATION CONTINUES OIL TALKS

FL041127 Havana Domestic Service in Spanish 1100 GMT 4 Dec 80

[Text] Matters relating to the development of the petroleum industry in Cuba and the technical aid Mexican specialists are providing in this area were discussed at a meeting held between Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, and a delegation headed by Jorge Diaz Serrano, director of Mexican Petroleum. Subsequent cooperation in studies on offshore petroleum exploration was also discussed at the meeting.

Refinery Visit

FL042147 Havana Domestic Service in Spanish 2136 GMT 4 Dec 80

[Excerpt] The Mexican Petroleum delegation headed by its director general, Eng Jorge Diaz Serrano, has visited the Nico Lopez refinery located on the outskirts of Havana. The Mexican delegation was accompanied by Eliseo Gavilan, vice minister of basic industry, and officials of the State Committee for Economic Cooperation.

The visitors were extensively briefed on the characteristics of the refinery by its director, Wilfredo Correa Martinez. The refinery occupies an area of 208 hectares and, in addition to the old production units, it has some from socialist countries.

CUBAN, CZECHOSLOVAK MILITARY GROUPS SIGN AGREEMENT

FL021852 Havana Domestic Television Service in Spanish 1800 GMT 2 Dec 80

[Text] A cooperation agreement was signed by Lt Gen Vaclav Horacek, member of the Czechoslovak Communist Party Central Committee and chairman of the Czechoslovak Union for Cooperation with the Army, and Col William Galvez, president of Cuba's Patriotic Military Education Association.

In a meeting with Cuban newsmen, Horacek explained that the organization he heads has, among its patriotic-military functions, the preparation of recruits prior to joining the army and the education of the youth in patriotic and internationalist feelings.

Horacek, who is visiting our country accompanied by a military delegation, expressed admiration for the Cuban soldier whom he admires for his high revolutionary spirit and internationalist feelings.

BAHAMAS

DEPUTY PRIME MINISTER PRESENTS 1981 BUDGET TO HOUSE

FL031850 Nassau Domestic Service in English 1800 GMT 3 Dec 80

[Report by (Kelsey Johnson)]

[Text] Today was budget day in the House of Assembly here in the Commonwealth of the Bahamas and according to the deputy prime minister, the Honorable A.D. Hanna, and minister of finance, in 1981, the Bahamas will have a total budget of $291,231,794, 225,545,599 of this will be for recurrent expenses and $65,086,195 will be for capital development throughout this commonwealth. This and much more was made public in the House of Assembly today when the deputy prime minister and the minister of finance delivered his annual budget communications to the House.

The deputy prime minister said that in 1979 he had predicted that in 1980 national revenues would amount to $234.4 million and that would be a surplus at year's end of a million dollars. In fact, he said, the country had done better than he had expected. Revenues reached $261 million in 1980 and out of the surplus he was able to increase civil servants' salaries and pensions and authorize other public expenditures. The finance minister expected the economy to perform as well in 1981 and promised civil servants a further salary increase in 1981 which will date back to the day of the last increase.

Acknowledging the contributions to the development of the Bahamas by various individuals, labor, civic and business groups, reaffirming the Progressive Liberal Party's commitment to the social revolution for the 1980 decade, and referring to the government's policies and programs to eradicate unemployment and poverty and to provide proper infrastructure facilities throughout the entire Bahamas, the finance minister reviewed some global economic events that occurred in 1980 and their relationship and effects on the local economy. Special emphasis was placed on the worldwide inflation induced by rising oil prices and the consequent adverse effects on economic growth and development in Western countries in general and in the United States in particular.

Despite the very real and serious economic dislocations occurring elsewhere in the world, he said that the Bahamas was able to withstand these forces and experience some positive growth in 1980. As a result, the government was able to reduce its outstanding debts to banks by some $19.1 million, provide funding to public corporations in the amount of $5 million and still finance capital expenditures to the tune of $16.9 million.

Turning to tourism, the deputy prime minister said that in order to sustain the momentum in the tourist sector for 1980, the Bahamas was compelled to intensify its marketing efforts by an increased allocation to the tourism budget. This strategy, he said, paid off in that it is now projected that the total tourism income for 1981 will approach $600 million. He expected that with the combination of additonal hotel rooms, increased resort facilities in the Family Island and a $20 million tourism budget for 1981, the tourist sector of the economy will continue to expand and provide the necessary base for increased linkages with the rest of the economy, including the agricultural sector. In the agricultural sector, Mr Hanna said that his government had continued to provide encouragement and assistance to the farming community through manpower training, the provision of appropriate infrastructure facilities and (?more) and meaningful research and development and programs in conjunction with expert international organizations. Emphasis was now being placed on enlarging the country's agro-agricultural base by identifying appropriate items for local food processing activities to absorb the farming surpluses. He expressed concern, however, that hotels, restaurants and food stores were not responding as favorably as they could to local produce and therefore, the government intended to introduce protective measures for the assistance of the farmers. Additionally, the government would continue to provide direct financial assistance through the Bahamas Development Bank and other credit guarantee programs.

In a similar manner, further financial assistance would be provided to Bahamian fishermen to obtain boats and equipment. The government regarded cooperative development as an essential feature of economic development.

Mr Hanna further said--and he reiterated the government's position--that with an allocation of just over 40 million dollars, education would continue to receive the highest priority because it was only through these means that development of the Bahamas would remain in the hands of Bahamians. Technical and industrial training to meet the unprecedented construction boom would be intensified with assistance from the World Bank and using input from a variety of educational, commercial and labor organizations.

Further Report

FL041335 Nassau Domestic Service in English 1300 GMT 4 Dec 80

[Report by Mike Smith]

[Excerpt] The deputy prime minister [Arthur D. Hanna] also focused attention on the government's concern for law and order. He revealed plans to significantly increase the capabilities of its police and defense forces during 1981 to more effectively combat the three-pronged threat of drugs trafficking, poaching in territorial waters and the influx of illegal immigrants and also to reduce the incidence of crime throughout New Providence and some of the more developed Family Islands.

He condemned those who conspired with foreign agents to bring our law enforcement agencies into disrepute and have not a word of commendation or even sympathy for men and women who brave the seas and hostile foreigners to protect the Bahamas.

Mr Hanna renewed his government's commitment to a policy of Bahamianization and said that the plan to rid the Bahamas of illegal immigrants will be vigorously pursued, thus relieving the burden presently imposed on our social services, particularly our health and educational facilities.

The deputy prime minister said that in 1981 he expects revenues to reach almost 296 million and provide a surplus of over 25 million at year's end. Not only will the surplus allow the government to increase public officers' pay, as has already been mentioned, it will also allow it to make a necessary contribution to the cost of the extensive capital development program.

HAITI

CUBAN 'AGITATORS' ARRESTED; ARMS CAPTURED

PA041911 Paris AFP in English 1842 GMT 4 Dec 80

[Text] Port-au-Prince, 4 Dec (AFP)--Two Cuban communist agitators have been arrested and two depots of arms and munitions were discovered here, the Haitian Information Ministry said today.

The Cubans were arrested Monday in connection with a plan to blow up a factory in the capital, the ministry said.

Haitian authorities have expelled six journalists for independent news organisations and the president of the country's Social Christian Party during the past 48 hours. They were sent to the United States.

The expulsion followed a wave of arrests here earlier this week that were considered the most widespread crackdown by Haitian President Jean-Claude Duvalier.

A demonstration in support of Mr Duvalier was held in front of the Presidential Palace today.

JAMAICA

MINISTER PLEDGES ASSISTANCE TO SECURITY FORCES

FL042320 Kingston Domestic Service in English 2300 GMT 4 Dec 80

[Text] The minister of national security and justice, Mr Winston Spaulding, has given security forces a free hand to apprehend the gunmen in the society and pledged all the assistance which the cabinet can afford to this end. Mr Spaulding was speaking today at a luncheon put on by the private sector organization of Jamaica at the Pegasus Hotel to honor the security forces.

Mr Spaulding noted the high level of crime so far this year and said that the figures at the end of November stood at 807 people killed by criminals, of which 604 murders involved the use of firearms. He noted also that 39 members of the security forces had been killed in that period.

SAINT LUCIA

FOREIGN MINISTER ODLUM CRITICIZES PRIME MINISTER

FL282100 Bridgetown ADVOCATE-NEWS in English 24 Nov 80 p 1

[Excerpts] Castries, St Lucia, Sunday (CANA)--The verbal row that has characterized the yearlong leadership dispute within the ruling St Lucia Labor Party, continued in the press this weekend with Foreign Affairs Minister George Odlum launching a bitter attack on Prime Minister Allan Louisy.

In an interview published in the SUNDAY VOICE newspaper Odlum accused Louisy of using "mystical Gairy-type politics" to remain in power and described Louisy's repeated refusal to keep promises to step down from office if asked to do so as "revealing dictatorial attitudes."

Odlum said that Louisy's recent threat that the entire government would fall with him if hiw own fall came about through lies was "an unfortunate use of the big stick". Odlum's statements came less than a week after a group of members of the party's executive met and passed a resolution calling for Louisy's resignation, both as prime minister and political leader of the party.

Odlum was quoted in the SUNDAY VOICE today as saying that the resolution did not have sufficient legal standing to force the prime minister out of office, but added that the executive seemed adamant that he should go. Odlum added: "The prime minister himself has vested the executive with the power to get him out of office. This is now not a constitutional power, but a moral force which the prime minister himself has created." Odlum accused Louisy of behaving like deposed Grenadian Prime Minister Eric Gairy by using mystical politics to remain in power. He said that during a recent visit to Britain, Louisy was quoted in the press as saying that he was in full control of the country "by the help of God" and that he would step down "when my maker decided." Odlum described the statement as political gimmicry in a country filled with Christians."

TRINIDAD AND TOBAGO

TRINIDAD GUARDIAN CALLS BISHOP 'MENACE TO REIGON'

FL031510 Bridgetown ADVOCATE-NEWS in English 27 Nov 80 p 10

[Text] Port-of-Spain, Trinidad, 26 Nov (CANA)--The TRINIDAD GUARDIAN today questioned how long the rest of the West Indies will continue to accept as a "genuine partner in the process of regional cooperation and togetherness" what the paper called "the menace of (Prime Minister) Maurice Bishop and his illegal revolutionary government" in Grenada.

It was the latest public document in a continuing dialogue over the need for general elections in Grenada, as Barbados' Prime Minister Tom Adams put it to "legitimize" the leftwing Bishop regime which came to power in a March 1979 coup.

"Mr Bishop represents a dangerous Trojan horse in our midst and we must decide whether we can afford to have him riding with us," said the GUARDIAN in an editorial.

Grenada has rejected frequent calls for the promised elections, asserting that the poll is not priority at the moment.

The GUARDIAN said that though West Indians are broad-minded people "our commitment to the democratic way of life is deeply rooted and fundamental to the whole process of change and development.

"As a people we in the West Indies will not voluntarily surrender the freedoms we now enjoy and our democratic vision of the future, for any other system or ideology which would seek to regiment to force us under the control of some foreign power."

The paper contended that the region's governments, although very "tolerant and accomodating," must now consider how far they are willing to "join hands with Mr Bishop, who clearly represents something alien and inimical to values by which we live and the principles by which we govern ourselves."

The GUARDIAN said that Bishop was guilty of "gross betrayal, not only of the people he controls under totaliatarian rule, but of his neighbors in the region, who were anxious to give him the benefit of the doubt after his armed coup."

But "now that he has firmly entrenched his revolutionaary government, Mr Bishop brazenly dismisses the question of general elections because the people of Grenada now enjoys what he terms a "grassroots democracy."

The GUARDIAN said that Trinidad and Tobago, like Barbados, totally rejects Mr Bishop's brand of grassroots democracy "for we know that it neither springs from the grassroots nor can it by any stretch of the unorthodox be deemed democratic."

TOBAGO SET TO PRESS FOR MORE SELF-GOVERNMENT

FL050014 St George's Radio Free Grenada in English 2330 GMT 4 Dec 80

[Text] The Tobago House of Assembly was today inaugurated at a ceremony presided over by Trinidad and Tobago President Ellis Clarke. The assembly was elected 10 days ago to give Tobagonians more say in the running of their affairs. The Democratic Action Congress, headed by lawyer A.N.R. Robinson, holds eight of the 12 assembly seats, while the People's National Movement of Price Minister Eric Williams controls the other four.

In his first speech as chairman of the assembly, Mr Robinson made it clear that the house will be pressing to increase internal self-government for Tobago.

In other news from Trinidad and Tobago, the prime minister of the two-island state, Dr Eric Williams, will present his country's $6.2 billion budget tomorrow. In draft estimates just laid in parliament, the government says the country will maintain or surpass this year's 20-percent growth in the economy. However, inflation continues to cause headaches to the Trinidad Government and it is now forecast [words indistinct] (?15.7) percent.